

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 CG-00 DOTE-00 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

FEA-02 INT-08 SCI-06 DRC-01 /174 W

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R 201315Z MAR 74

FM AMEMBASSY BRIDGETOWN

TO SECSTATE WASHDC 6889

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E.O. 11652: DECLASSIFY AFTER MAY 1, 1974

TAGS: EFIN EGEN ENRG BB

SUBJ: PM MAY DISCLOSE POLICIES IN APRIL BUDGET SPEECH

1. DURING MARCH 18 HOUSE OF ASSEMBLY DEBATE OF 1974-75 DRAFT ESTIMATES, PM ERROL BARROW COUNTERED OPPOSITION CHARGES OF GOB COMPLACENCY IN FACE OF INFLATION/FUEL CRISES AND HINTED STRONGLY THAT HE WOULD DISCLOSE WIDE RANGE OF ECONOMIC/FINANCIAL POLICIES IN HIS BUDGET SPEECH WHICH COULD COME AS SOON AS THREE OR FOUR WEEKS.

2. PM BARROW, DEFENDING GOB ECONOMIC RECORD AND ACCUSING OPPOSITION OF PRACTISING "DISTRESS POLITICS", DECLINED TO REVEAL SPECIFICS OF GOVERNMENT PLANS, SAYING THAT HIS "BUDGET SPEECH WOULD COME IN THE FULLNESS OF TIME WHEN ALL THINGS WOULD BE DISCLOSED". PM BARROW RECOGNIZED SERIOUS INFLATIONARY PROBLEMS AND WHILE RECOGNIZING HUGE RISE IN GOB FUEL BILL, DECLARED THAT OIL CRISIS HAD NOT YET HAD SERIOUSLY ADVERSE EFFECTS ON ECONOMY OR BARBADIAN LIFE STYLE. PM POINTED TO "GOOD PROSPECTS" THAT ISLAND WILL BE SUPPLYING 30 PERCENT OF TOTAL CRUDE REQUIREMENTS FROM LOCAL SOURCES

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BY END OF YEAR AND HINTED AT PLANS TO HOLD DOWN GOVERNMENT

SPENDING TO COPE WITH IMPORTED INFLATION.

3. OPPOSITION CRITICISM ENCOMPASSED OIL SITUATION, INCLUDING SHARP COMMENTS ON ALLEGED MOBIL "MONOPOLY" OF BARBADOS REFINERY CAPACITIES, INFLATION, AND ALLEGED GOVERNMENT OVERBORROWING AND NEEDLESS SPENDING (DENOUNCIATION OF FORMATION OF NEWLY-ESTABLISHED COAST GUARD WHILE HIGHER PRIORITIES SUCH AS HOUSING REMAINED UNFILLED).

4. COMMENT: PM MADE NO MENTION OF POSSIBLE END TO BARBADOS DOLLAR'S STERLING TIES. UK HAS REPUTEDLY OFFERED TO RENEW REDEMPTION GUARANTEE OF GOB (AND OTHER COUNTRIES') ASSETS IN BANK OF ENGLAND BUT GOB HAS MADE NO PUBLIC RESPONSE. PM IS APPARENTLY KEEPING THIS DECISION ON STERLING TIES CLOSE TO CHEST. CENTRAL BANK GOVERNOR, UPON BEING QUERIED ON GOB ACTION, RESPONDED ONLY THAT HE "EXPECTED TO BE TOLD BY FINANCE MINISTER". (PM ALSO HOLDS FINANCE PORTFOLIO).  
DONOVAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRIME MINISTER, INFLATION, GOVERNMENT BUDGET, PETROLEUM, PETROLEUM PRODUCTION, SPEECHES, ECONOMIC PROGRAMS, PRICES, GOVERNMENT EXPENDITURES, MONETARY AGREEMENTS, STERLING (CURRENCY)  
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